

# Following Ford and GM, Toyota Australia announces end of car production

By Patrick O'Connor  
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Toyota yesterday announced that it would cease producing cars in Australia from 2017, laying off 2,500 workers and triggering tens of thousands of job losses in the car component and other connected industries. Toyota is the third and final car producer in the country to liquidate its manufacturing operations, following previous announcements by Ford and General Motors.

Unless the working class takes up a fight in defence of jobs and against the closures, the entire auto industry in Australia will be wiped out. The planned elimination of the sector—which employs 50,000 workers directly, with as many as 200,000 jobs linked to the industry—marks a new stage in the deepening assault on the wages and working conditions of the working class.

The development of the car industry was central to Australia's post-World War II industrial expansion. Entire suburbs and satellite cities were built by federal and state governments around the car plants—such as Broadmeadows in Victoria and Elizabeth in South Australia—to house their workforces. These areas, already hit by wave after wave of job losses, producing high unemployment and myriad social problems, will be further devastated with the closure of what remains of the car industry.

The major transnational corporations, the banks and finance houses that stand behind them, as well as the trade unions and the entire political establishment in Australia, are utterly indifferent to the social havoc that is being wreaked.

Toyota's shut-down announcement forms part of the restructuring drive of the global auto industry that was stepped up in the aftermath of the 2008 financial crash. To defend corporate profits, the car companies have attempted to make workers bear the full burden of the capitalist crisis.

In the US, the 2009 intervention of the Obama administration and the United Auto Workers union produced the managed bankruptcies of GM and Chrysler that stripped workers of healthcare and other benefits, eliminated workplace protections, and halved wages for new hires, to just \$15 an hour. Having established this new benchmark in "international competitiveness" within advanced capitalist economies, the auto companies are extending their restructuring drive into Europe, where numerous plant closures have been imposed in

recent years, and other regions, including Australia.

Toyota's shut down in Australia was not made solely because of difficult economic circumstances. While the company claimed the high value of the Australian dollar and high production costs were among the factors triggering the decision, the Japanese transnational's local subsidiary made a \$220 million profit last financial year. Moreover, Toyota has said it expects to announce record global profits later this year, of nearly \$19 billion.

The end of production in Australia is meant to serve as a warning to Toyota's entire international workforce, including in Japan: any resistance to the never-ending drive to cut costs will be met with the closure of plants and destruction of jobs.

The establishment press in Australia is today filled with denunciations of the 2,500 workers at Toyota's plant in Altona, western Melbourne for resisting moves to slash their wages.

Toyota executives previously insisted that costs per vehicle needed to be reduced by \$3,800 per vehicle. They wanted to scrap the existing enterprise bargaining agreement and impose a new contract to slash overtime rates for various shifts, effectively abolish the 8-hour day, eliminate an annual \$700 income insurance payment and impose numerous productivity concessions. The company sought the hiring of a potentially unlimited number of "trainees" on six-month contracts, with lower wages for up to three years.

These demands provoked bitter anger among Toyota workers. The agreement that the company wanted to revise was itself only imposed in late 2011, and included a series of regressive measures, such as real wage cuts. Workers staged a series of rolling strikes against the company's demands, twice voting down the proposed agreement before the Australian Manufacturing Workers Union (AMWU) urged a "yes" vote on the third ballot, producing a narrow majority in favour.

Last month, Industry Minister Ian Macfarlane declared: "The issue is not whether Toyota is viable but can we get them to the point where they can compete with [Toyota's plants in] Kentucky and Thailand."

These remarks underscore the reality that under the profit system, globalised production is used to pit workers in every country against one another, with the drive for "international competitiveness" involving a never-ending race to the bottom.

In Thailand, Toyota workers earn the minimum wage, increased last month to just 300 baht, or about \$10 a day.

In Toyota's Kentucky plant wages are higher, at about \$26 an hour. The Kentucky plant, however, is notorious for punitive layoffs, workplace injuries, and widespread exploitation of casual workers who are known as "perma-temps." The company pays its American workers base wages equivalent to those in other companies' auto plants in the country, but almost none of the benefits, such as healthcare, that were previously standard in the sector. As a result, a *Wall Street Journal* article in September 2007 noted: "Toyota Motor Corp now sets the bar for labor costs in the U.S. auto industry."

Several Toyota workers yesterday spoke with the *World Socialist Web Site* and expressed their anger at the shut-down announcement.

Dawan said: "The Japanese boss was crying—he was just pretending. They are all pretenders, big liars. At the end of the day they are after money, they don't care about people... I don't understand what they are doing. They want to cut wages; are they going to lower the cost of living? They cut the wages, so people are living in poverty. Look at living standards—electricity, gas and water have all gone up 30 percent over the past two years. But wages are going down. How are people supposed to pay?"

Dawan also denounced the AMWU: "The unions knew the information earlier—the senior union rep got redundancy two months ago. Now being in the union is only paying money for nothing."

Matt said workers were told that the closure decision was made only a few hours before the announcement. "That is crap," he said. "Are you for real? Two thousand workers' futures decided in two hours! I don't even know how to confront my own wife and tell her. We're living on one wage at the moment... What happens next? It is shocking—all these guys, used to whatever amount of money per week, they've got mortgages. With 200,000 more people looking for work, what are the banks going to do, repossess our homes?"

Prime Minister Tony Abbott expressed callous indifference to the announcement, declaring that "while some businesses close, other businesses open, while some jobs end, other jobs start." This follows his response to the GM Holden closure, when he declared the sacked workers would be "liberated to pursue new opportunities." In reality, the unemployment rate is rising and the only "new opportunities" are in low paid, temporary jobs.

Opposition Labor Party leader Bill Shorten attempted to capitalise on the closure, blaming the Abbott government for not increasing the subsidies paid to the companies. These government handouts, however, were aimed at assisting the car companies as they sacked workers and imposed speedups. The closure of the car industry is the logical end of the three-decade restructuring drive initiated by the Hawke-Keating Labor governments and the unions between 1983 and 1996 under the

"Button Plan" and accelerated under the 2007–2013 Rudd-Gillard Labor governments.

The AMWU and Australian Council of Trade Unions responded to the threatened closure of the entire car industry by presenting it as a fait accompli. The unions have imposed round after round of "orderly closures" in the manufacturing sector. They are bitterly hostile to any suggestion of an independent struggle by workers in defence of their jobs. At GM Holden last year, the unions drafted and rammed through a savage wage-cutting agreement before the company decided to end operations anyway. The AMWU's sole complaint about Toyota was that it was not working closely enough with the union to draft a wage-cutting deal that boosted the company's profits to the demanded levels.

Toyota workers cannot allow the Altona plant to be shut down. A fight-back campaign must be developed, based on the formation of rank-and-file committees, independent of, and opposed to, the AMWU. The broadest appeal must be made to other sections of the working class confronting similar attacks on their jobs, wages and conditions, beginning with the 50,000 Ford, GM and car component workers across the country. At the same time, Toyota workers need to link up and develop a joint struggle with their class brothers and sisters at Toyota plants in Thailand, Japan, the US and internationally.

The Altona facility and other car plants need to be taken out of private ownership and brought under the democratic control of the working class, as part of the socialist reorganisation of society. This requires an internationalist and socialist perspective, aimed at the revolutionary overthrow of the capitalist system and the formation of a workers' government. The Socialist Equality Party is alone in fighting for this program. We urge all workers at Toyota and throughout the car industry to contact the SEP and begin a discussion on these critical issues.

To contact the WSWWS and the  
Socialist Equality Party visit:

<http://www.wsws.org>